



MINUTES

GOVERNMENT OPERATIONS AND AUDIT COMMITTEE

**Third Meeting
2004 Interim**

**LCR 1 & 2
March 15, 2004**

The third meeting of the Government Operations and Audit Committee was called to order by Chair Kleven at 4:00 p.m., March 15, 2004 in the Legislative Conference Room 1 & 2, State Capitol Building, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Arnold Brown, John Koskan, Marguerite Kleven, J.P. Duniphan and Garry Moore; and, Representatives Ted Klaudt; Rebekah Craddock; Gerald Lange; Claire Konold; and, Margaret Gillespie.

Staff Members present were Marty Guindon, Auditor General and Rich Hornak and Gary Hoscheid, State Government Audit Managers.

Approval of Minutes

Senator Duniphan moved, seconded by Representative Craddock that the minutes of the January 27, 2004 meeting be approved as amended. Motion prevailed unanimously on a voice vote.

Homeland Security Federal Grant Expenditures

Secretary Tom Dravland provided an overview of the Homeland Security Grant, including the process followed in awarding grant money. Mr. Dravland stated that Homeland security grant money can be used for natural disasters, law enforcement and search and rescue operations. John Berheim, Tina Titze and Jeanette Schipper from the Department of Public Safety also responded to committee questions. The committee requested the following information be provided to the Department of Legislative Audit:

- Detail of what was included in the purchase of "1 Night Vision & Other Optics" for \$10,000 by Pennington County;
- Total amount of the grant awarded to each county and related expenditures by county, by year, in summary form. The committee would request detail later, if necessary; and,
- List of counties and tribes that have not submitted a list of equipment needs. The committee would like this information as soon as possible.

Violent Offender Grant Expenditures

Rich Hornak provided an overview of the Violent Offender grant expenditures for fiscal year 2003 and fiscal year 2004 through December 31, 2003.

Board of Regents – Executive Sessions

Gary Hoscheid provided an update on the results of the meeting with Attorney General Larry Long, and Mr. James Shekleton, Board of Regents, concerning whether certain items approved in executive session were items that were allowed to be discussed in executive session. Mr. Shekleton responded to various questions raised by various committee members. Senator Koskan stated that the public

should be able to address each issue that the Board was going to take action on. Senator Koskan suggested further review of the use of executive sessions. The consensus of the committee was to include executive sessions as a continuing item for future committee meetings.

Senator Moore moved, seconded by Senator Duniphan to send a letter to the Board of Regents recommending each action taken by the Board be a separate motion and a separate vote. Motion prevailed unanimously on a voice vote.

Federal Funds Cash Balances

Rich Hornak provided the committee with commitments state agencies may have made to cash balances in federal funds.

Representative Klaudt moved, seconded by Senator Duniphan to send a letter to the Commissioner of Finance and Management recommending the Bureau adopt the proposed action plan recommended by the Department of Legislative Audit and send a copy of the letter to the chairs of the Appropriations Committee. Motion prevailed unanimously on a voice vote.

Encumbrance Update

Rich Hornak provided an update on the fiscal year 2003 encumbrances. A handout was provided by the Department of Legislative Audit. The committee directed that the encumbrances be updated for the next meeting, including an explanation of the purpose for each encumbrance.

Other Committee Action

Senator Brown moved, seconded by Senator Duniphan to defer agenda items on cell phones and state radio usage until the next meeting. Motion prevailed unanimously on a voice vote.

Senator Brown suggested that the committee send a letter to the Executive Board of the Legislative Research Council informing them on the committee's interim planned action to review audit reports on state government agencies, review juvenile corrections issues and to review other aspects of state government operations. The letter should also extend an offer to provide input as necessary on any interim summer study work involving financial aspects of the Bureau of Information and Telecommunications and Department of Education summer study topics.

Representative Konold moved, seconded by Senator Brown to schedule the next committee meeting for May 18, 2004. Motion prevailed unanimously on a voice vote.

The committee adjourned the meeting at 6:00 p.m.



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